

## **REMARKS**

Claims 1-6, 9-23 and 25-33 are pending.

Claims 7, 8 and 24 have been canceled without prejudice or disclaimer of the subject matter recited therein.

Claims 34-51 are withdrawn.

Claims 1-6, 9-23 and 25-33 stand rejected.

Claim 6 has been amended. Claim 6 has been amended for clarity and not for reasons of patentability to delete "further comprising", which is redundant because it follows "further comprises". Note, "further comprising" was inadvertently added in the previous amendment.

### **Claim Rejection - 35 U.S.C. § 103**

Claims 1-6, 9-23, and 25-33 stand rejected under 35 U.S.C. § 103(a) as being unpatentable over U.S. Patent No. 6,782,369 issued to Carrott ("*Carrott*") in view of U.S. Publication No. 2001/0039547 to Black et al ("*Black*"). Applicant respectfully traverses the rejection.

To establish obviousness based on a combination of elements disclosed in the prior art or a modification of the prior art, there must be some motivation, suggestion or teaching of the desirability of making the claimed invention. See *In re Dance*, 160 F.3d 1339, 48 USPQ2d 1635, 1637 (Fed. Cir. 1998); *In re Gordon*, 733 F.2d 900, 221 USPQ 1125, 1127 (Fed. Cir. 1984). The motivation, suggestion or teaching may come explicitly from statements in the prior art, the knowledge of one of ordinary skill in the art, or, in some cases, the nature of the problem to be solved. *In re Dembiczak*, 175 F.3d 994, 998, 50 USPQ2d 1614, 1617 (Fed. Cir. 1999). Broad conclusory statements standing alone are not "evidence" of obviousness. *Id.* Additionally, hindsight is an impermissible basis for establishing a prima facie case of obviousness. *W.L. Gore & Assocs. v. Garlock, Inc.*, 721 F.2d 1540, 1551, 220 USPQ 303, 312-13 (Fed. Cir. 1983). To prevent a hindsight-based obviousness analysis, the Federal Circuit has clearly established that the relevant inquiry for determining the scope and content of the prior art

is whether there is a reason, suggestion, or motivation in the prior art or elsewhere that would have led one of ordinary skill in the art to select and modify *Carrott* in accordance with *Black Bright* so as to render the present invention obvious under 35 U.S.C. § 103. See *Ruiz v. A.B. Chance Co.*, 234 F.3d 654, 665, 57 USPQ2d 1161, 1167 (Fed. Cir. 2000).

Applicant respectfully submits that the Examiner has over-extended the teachings of *Carrott* in view of *Black* and, thus, engaged in impermissible hindsight to reject claims 1-6, 9-23 and 25-33. Accordingly, for at least the reasons submitted below, Applicants respectfully submit that claims 1-6, 9-23 and 25-33 are allowable over *Carrott* in view of *Black*.

*Carrott* teaches a “computer system and method of allocating commissions for sales made over the Internet and for dividing an otherwise indivisible Internet into defined geographic areas.” *Carrott*, Abstract. The computer system and method of *Carrott* more specifically teach “recording sales to exclusive geographic distribution/representation areas placed through an Internet web site”, “determining a value of [the] sales to each of [the] geographic distribution/representation areas”, and “allocating commissions based solely on [the] value of [the] sales delivered to each of [the] geographic distribution/representation areas.” *Id.*, claim 1.

*Black* teaches a “method and business process for selectively storing, archiving, and updating key personal identity items related to documentation of an individual's professional credentials and/or documents.” *Black*, para. 0009. Thus, *Black* teaches “a method and business process for selectively storing, archiving and updating key personal identity items related to documentation of a consenting individual's professional credentials and/or documents that may include any or all of those disclosed herein using a secure Internet platform with a web-enabled software package.” *Id.*, para. 0025. *Black* provides an illustrative example where “the interested entities are health plans primary hospitals, medical practice groups, health maintenance organizations (HMOs), preferred provider organizations (PPOs) and other entities.” *Id.*, para. 0028. The information providers are the AMA, the NPDB, the FSMB, the DEA, criminal record databases, and ABMs. *Id.* The consenting individuals are doctors. *Id.*

Even assuming, without admitting, that the proper motivation exists to combine *Carrott* and *Black*, Applicant respectfully submits that the combination of *Carrott* and *Black* fail to teach or suggest the present invention and fail to achieve the purpose of the present invention.

### Claim 1.

The combination of *Carrott* and *Black* results in a system and method that provides commissions to a distributor and retrieves personal information about the distributor including the distributor's credentials. However, simply tracking a sale to a distributor and retrieving the distributor's overall credentials as taught by the combination of *Carrott* and *Black* does not in and of itself determine whether or not a distributor has the proper credentials to obtain a commission for a particular transaction. The combination of *Carrott* and *Black* suffers from the same deficiencies identified in the Background of the Present Application, namely:

Thus, systems must be configured to efficiently validate sales transactions in view of the licenses and/or appointments necessary to legally complete the transaction. **Existing systems do not currently have a mechanism** for processing such data in a way that minimizes the time required **to process** license and appointment data **and validate** a sales agent's credentials before distributing compensation to the sales agent for the transaction. Therefore there is a need for an improved mechanism for processing sales transaction data. Present Application, p. 3, lines 8-15.

**Thus, contrary to the combination of *Carrott* and *Black*, to determine whether a distributor has the proper credentials, in addition to merely obtaining the credentials, the system must also determine whether the credentials apply on a transaction by transaction basis for commission purposes.** More specifically, the present invention of Claim 1 requires "loading from at least one data source **a set of credential validation rule data**, obtaining one or more product distribution transactions associated with one or more distributors, and **processing** in the computer system **the rule data to validate the obtained credential information** of each of the distributors associated with each of the product distribution transactions **in accordance with predetermined validation criteria and to determine whether the validated credential information meets eligibility requirements for compensation associated with each of the obtained product distribution transactions.**"

Thus, the combination of *Carrott* and *Black* is missing elements of Claim 1. For example, *Carrott* in combination with *Black* ("*Carrott/Black combination*") fail to teach or suggest how to apply the credential information to a distributor. In contrast to the *Carrott/Black combination*, Claim 1 recites "processing ... **the rule data to validate the obtained credential information of each of the distributors ... in accordance with predetermined validation**

**criteria.”** The *Carrott/Black combination* fails to teach or suggest the use of any **rule data to validate** credential information and fail to teach or suggest any **predetermined validation criteria**. Furthermore, the *Carrott/Black combination* also fails to teach or suggest “processing ... **the rule data** ... to determine **whether the validated credential information** meets eligibility requirements for compensation **associated with each of the obtained product distribution transactions**” as required by Claim 1.

In summary, Applicant respectfully submits that *Carrott* in combination with *Black* only relevantly teach determining commissions for distributors on a geographic basis and obtaining individual information, such as credentials. Since, (1) *Carrott* in combination with *Black* fail to teach or suggest any process that processes “rule data to validate the credential information of each of the distributors ... in accordance with predetermined validation criteria”, (2) fail to teach any process “to determine whether the validated credential information meets eligibility requirements for compensation associated with each of the obtained product distribution transactions”, and (3) use of hindsight in view of the present application is impermissible, the present invention of Claim 1 is allowable over the *Carrott/Black combination*.

#### **Claim 18.**

Applicant also respectfully submits that independent Claim 18 is allowable for at least reasons similar to Claim 1. Specifically, the *Carrott/Black combination* fails to teach or suggest:

if the product distribution transaction data is unusable by the computer system to validate the credential information, **converting the product distribution transaction data into a form usable by a rule engine; ...**

**loading rule information** utilizable to determine if each member of the set of distributors is properly credentialed to receive compensation related to the received product distribution transaction data;

**executing a rule engine to process the rule information and credential information** to determine which, if any, of the one or more members of the set of distributors are properly credentialed to receive compensation related to the product distribution transaction data; and

determining compensation for each member of the set of distributors that is properly credentialed to receive compensation related to the product distribution transaction data. Claim 18.

Applicants respectfully request withdrawal of the rejection of independent claims 1 and 18 for at least the reasons stated above. Applicants also respectfully request withdrawal of the rejection claims directly or indirectly dependent upon claims 1 or 18 for at least the same reasons.

### **Dependent Claims.**

All of the dependent claims have been rejected based upon Official Notice that “the various features recited by Applicant in the dependent claim language have been common in the knowledge in the credential verification art.” Applicants respectfully traverse such a finding of Official Notice. Applicants respectfully request the Examiner to produce authority for the Examiner’s statement of Official Notice.

The Manual of Patent Examining Procedure § 2144.03 states:

It would not be appropriate for the examiner to take official notice of facts without citing a prior art reference where the facts asserted to be well known are not capable of instant and unquestionable demonstration as being well-known. For example, assertions of technical facts in the areas of esoteric technology or specific knowledge of the prior art must always be supported by citation to some reference work recognized as standard in the pertinent art. *In re Ahlert*, 424 F.2d at 1091, 165 USPQ at 420-21. See also ... *In re Eynde*, 480 F.2d 1364, 1370, 178 USPQ 470, 474 (CCPA 1973) (“**[W]e reject the notion that judicial or administrative notice may be taken of the state of the art.** The facts constituting the state of the art are normally subject to the possibility of rational disagreement among reasonable men and are not amenable to the taking of such notice.”).

The dependent claims relate to the state of the art. Applicants respectfully submit that the prior art does not teach or suggest, for example:

- “wherein said obtaining said set of available credential information further comprises denormalizing data from a plurality of database tables” (Claim 2);

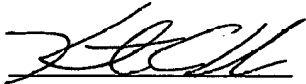
- “**loading** from at least one data source said set of **credential validation rule data** further comprises loading said set of rule data from a standard format data file” (Claim 3);
  - “**loading said set of rule data** from standard format data file further comprises parsing data from a file having an Extensible Markup Language (XML) format.” (Claim 4);
  - determining a set of rules associated with said collective group by using a set of preconditions to filter among a plurality of rules, said rule data comprising at least one test having an associated type;
    - partitioning said set of rules based on said type of said at least one test associated with said set of rules;
    - preparing said collective group wherein said collective group comprises tests associated with said test type; and
    - determining for said set of rule data whether said at least one test associated with said set of rules are valid. (Claim 5);
- “computing compensation for each distributor **having validated credential information** ...” (Claim 6);
- obtaining the set of available credential information for at least one of the distributors from two or more tables;
    - denormalizing said set of available credential information** from said two or more tables into a denormalized database table;
    - wherein the rule data comprises a set of test conditions data** from at least one data source; and
    - processing in the computer system **the rule data comprises applying a credential test by querying said denormalized table with said set of test conditions data.** (Claim 9);
  - “obtaining **the rule data** from a data file.” (Claim 13);
  - “defining the **rule data.**” (claim 15);
  - “storing said **rule data** into a database table.” (Claim 16);
  - “applying a credential test further comprises joining said set of test conditions data with said denormalized database table.” (Claim 17);

- “wherein said credential information is stored in multiple database tables, said **rule information comprises test rules**, and executing a **rule engine to process the rule information and credential information further comprises joining at least two database tables containing said set of test rules and said credential information.**: (Claim 23);
- loading of said rule information further comprises loading said rule information from a standard format data file. (Claim 25);
- determining a rule set associated with said credential information using a set of preconditions to filter among a plurality of rules, said rule data comprising at least one test having an associated type;
  - partitioning said set of rules based on said type of said at least one test associated with said set of rules;
  - preparing said collective group wherein said collective group comprises tests associated with said test type; and
  - determining for said set of rule data whether said at least one test associated with said set of rules are valid. (Claim 26);
- **the rule data comprises credential information identifying regulatory constraints for each of the obtained sales transactions placed on at least one of the distributors associated with said obtained sales transaction; and**
  - processing in the computer system the rule data to validate the obtained credential information comprises determining if said credential information** obtained sales transactions placed on at least one of the distributors conforms to said regulatory constraints. (Claim 30);
- processing in the computer system **the rule data further comprises processing the rule data for multiple product distribution transactions** comprises batch processing the rule data for multiple product distribution transactions for batches of product distribution transactions. (Claim 32).

### CONCLUSION

In view of the amendments and remarks set forth herein, the application is believed to be in condition for allowance and a notice to that effect is solicited. Nonetheless, should any issues remain that might be subject to resolution through a telephonic interview, the Examiner is requested to telephone the undersigned.

I hereby certify that this correspondence is being deposited with the United States Postal Service as First Class Mail in an envelope addressed to: Mail Stop RCE, COMMISSIONER FOR PATENTS, P.O. Box 1450, Alexandria, VA 22313-1450 on September 12, 2005.



Attorney for Applicant(s)

9-12-2005

Date of Signature

Respectfully submitted,



Kent B. Chambers  
Attorney for Applicant(s)  
Reg. No. 38,839